GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:6114
ANSWERED ON:11.04.2017
Benefit of Fertilizer Subsidy to Farmers
Datta Shri Sankar Prasad

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether the poor and marginal farmers are unable to reap the benefit of the fertilizer subsidy;

(b) if so, the reaction of the Government thereto

(c) whether the Government proposes to provide fertilizer subsidy directly to farmers through their bank account on the lines of Direct Benefit Transfer Scheme; and

(d) if so, the details thereof including the present status of the proposal and the number of farmers likely to be benefited under the scheme?

Answer

MINISTER OF STATE IN THE MINISTRY OF ROAD TRANSPORT & HIGHWAYS, SHIPPING AND CHEMICALS & FERILIZERS

(SHRI MANSUKH L. MANDAVIYA)

(a) & (b): Urea is provided to the farmers at a statutorily fixed MRP by the Government of India which at present is Rs. 5360/- per MT (exclusive of the Central/State Taxes). An extra MRP of 5% (of Rs. 5360/- per MT) is charged by fertilizer manufacturing entities on Neem Coated Urea.

The difference between the delivered cost of urea at farm gate and MRP payable by the farmers, is given as subsidy to the fertilizer manufacturer/importer by the Government of India.

In case of P&K fertilizers, the NBS Policy is being implemented w.e.f. 1.4.2010 under which a fixed amount of subsidy decided on annual basis is provided on each grade of subsidized P&K fertilizers based on their nutrient content. The P&K fertilizers are available in the market at less than the delivered price, to the extent of subsidy.

Hence, every farmer who is buying Urea and P&K fertilizer bags is availing the benefit of the fertilizer subsidy.

(c) & (d): No Madam. However, the Government has launched a Direct Benefit Transfer (DBT) scheme in fertilizers, in 19 districts on pilot basis. Under this DBT system, 100% subsidy on various fertilizer grades shall be released to the fertilizer companies instead of the beneficiaries, on the basis of actual sales made by the retailers to the beneficiaries. Sale of all subsidized fertilizers to farmers/buyers will be made through Point of Sale (PoS) devices installed at each retailer shop and the beneficiaries will be identified through Aadhaar Card, KCC, Voter Identity Card etc. The present status of the pilot DBT may be seen at Annexure − I.

****